

**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	:
	:
	: Chapter 11
SEARS HOLDINGS CORPORATION, et al.,	:
	:
	: Case No. 18-23538 (RDD)
	:
Debtors. ¹	: (Jointly Administered)
-----X	

NOTICE OF REJECTION OF EXECUTORY CONTRACTS

PLEASE TAKE NOTICE that, on October 15, 2018, Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), each commenced with the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) a voluntary case under chapter 11 of title 11 of the United States Code.

PLEASE TAKE FURTHER NOTICE that, on April 4, 2019, the Bankruptcy Court entered an order granting certain expedited procedures for the rejection of the Debtors’ executory contracts (ECF No. 3044) (the “**Rejection Procedures Order**”). An electronic copy of the Rejection Procedures Order can found at <https://restructuring.primeclerk.com/sears/>.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Rejection Procedures Order, the Debtors hereby give notice of their intent to reject the contract(s) set forth on **Schedule 1**, attached to the Rejection Order (as defined below) (each, a “**Contract**,” and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

together, the “**Contracts**”), effective as of May 16, 2019, unless otherwise ordered by the Court (the “**Rejection Date**”).

PLEASE TAKE FURTHER NOTICE that, any party wishing to object to the Debtors’ proposed rejection of a Contract, must file with the Bankruptcy Court and serve a written objection setting forth the legal and factual bases for such objection (an “**Objection**”) so that it is actually filed with the Bankruptcy Court and served on the following parties no later than fourteen (14) calendar days after the date of filing and service of this Rejection Notice (the “**Rejection Objection Deadline**”): (i) the Debtors c/o Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179; (ii) counsel for the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn: Ray C. Schrock, P.C., Jacqueline Marcus, Esq., Garrett A. Fail, Esq., and Sunny Singh, Esq.); (iii) the applicable counterparty to the Contract that is the subject of the Objection; and (iv) the Office of the United States Trustee for Region 2, 201 Varick Street, Suite 1006, New York, NY 10014 (Attn: Paul Schwartzberg, Esq. and Richard Morrissey, Esq.); and (v) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036 (Attn: Philip C. Dublin, Esq., Ira Dizengoff, Esq., and Sara Lynne Brauner, Esq.).

PLEASE TAKE FURTHER NOTICE that if no Objection is filed and served in compliance with the foregoing, the Debtors may submit to the Bankruptcy Court after the Rejection Objection Deadline a proposed order approving the rejection of the Contracts (each such order, a “**Rejection Order**”), substantially in the form attached hereto as **Exhibit A**, and the Bankruptcy Court may enter such order without a hearing.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Rejection Procedures Order, if no Objection is properly filed and served in compliance with the foregoing, the rejection of each Contract shall become effective as of the Rejection Date. The deadline to file a proof of claim to assert any damages claim arising from the rejection of a Contract shall be thirty (30) days after the entry of the Rejection Order.

PLEASE TAKE FURTHER NOTICE that, if an Objection is properly filed and served in compliance with the foregoing, a hearing will be scheduled to consider the Objection. If the Objection is overruled or withdrawn, the effective date of rejection shall be the (i) Rejection Date; (ii) such other date to which the Debtors and the counterparty to the Unresolved Objection have agreed; or (iii) such other date as determined by the Court. If an Objection is filed for fewer than all of the Contracts included on the Rejection Notice, the Debtors may proceed with submitting a proposed Rejection Order in accordance with the above procedures for the remaining Contracts on the Rejection Notice.

PLEASE TAKE FURTHER NOTICE that a copy of all pleadings filed in these chapter 11 cases, including the motion (ECF No. 2768) that sought the relief granted in the

Rejection Procedures Order, is available for free at <https://restructuring.primeclerk.com/sears/> or for a fee via PACER at <https://ecf.nysb.uscourts.gov>.

Dated: July 12, 2019

New York, New York

/s/ Garrett A. Fail

WEIL, GOTSHAL & MANGES LLP

767 Fifth Avenue

New York, New York 10153

Telephone: (212) 310-8000

Facsimile: (212) 310-8007

Ray C. Schrock, P.C.

Jacqueline Marcus

Garrett A. Fail

Sunny Singh

Attorneys for Debtors

and Debtors in Possession

Exhibit A

Rejection Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
: **Chapter 11**
SEARS HOLDINGS CORPORATION, et al., :
: **Case No. 18-23538 (RDD)**
: **Debtors.**¹ : **(Jointly Administered)**
-----X

ORDER APPROVING THE REJECTION OF CERTAIN EXECUTORY CONTRACTS

Pursuant to and in accordance with the *Order Authorizing Debtors to Establish Procedures for Rejection of Executory Contracts* (ECF No. 3044) (the “**Rejection Procedures Order**”)² entered in the above-captioned chapter 11 cases of Sears Holdings Corporation and its debtor affiliates (collectively, the “**Debtors**”); and the Debtors having properly filed with this Court and served on the Rejection Notice Parties a notice (the “**Rejection Notice**”) of their intent to reject certain executory contracts identified on **Schedule 1** attached hereto (“**Contracts**”) in

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Rejection Procedures Order.

accordance with the terms of the Rejection Procedures Order, and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and no timely objections having been filed to the Rejection Notice; and the Court having found and determined that the relief requested is in the best interests of the Debtors, their estates, their creditors, and all parties in interest, and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Contracts set forth on **Schedule 1** attached hereto are hereby rejected, effective as of the Rejection Date.

2. If any affected non-Debtor party (each, a “**Counterparty**”) to a Contract asserts a claim against the Debtors arising from the rejection of the Contract, the Counterparty shall submit a proof of claim on or prior to thirty (30) days after the entry of this Order. If a Counterparty does not timely file a proof of claim in accordance with the terms of this Order, the Counterparty shall forever be barred from asserting a claim arising from the rejection of their Contract.

3. Nothing contained in this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors’ or any appropriate party in interest’s rights to dispute the amount of, basis for, or validity of any claim against the Debtors; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, or adoption of any agreement, contract, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code.

4. Notwithstanding entry of this Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

5. The Debtors are authorized to take all action necessary to effectuate the relief granted in this Order.

6. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: _____, 2019
White Plains, New York

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

Schedule 1: List of Rejected Contracts

Ref. No.	Debtor	Counterparty	Contract Title	Contract No.	Contract Executed Date	Contract Expiration Date
1	KMART CORPORATION	ICON NY HOLDINGS LLC (AS SUCCESSOR IN INTEREST TO OFFICIAL PILLOWTEX LLC)	LICENSE AGREEMENT - "CANNON" AND "CANNON ROYAL FAMILY" - MANUFACTURING / IMPORTING /MARKETING / SALE OF LICENSED PRODUCTS	N/A	2/20/2008	2/1/14 (WITH OPTION FOR 5-YEAR RENEWAL)
2	KMART CORPORATION	ICON NY HOLDINGS LLC	FIRST RENEWAL (ADDITIONAL 5-YEAR TERM) TO CANNON LICENSE AGREEMENT BETWEEN KMART CORPORATION AND ICON NY HOLDINGS LLC (AS SUCCESSOR IN INTEREST TO OFFICIAL PILLOWTEX LLC) DATED FEBRUARY 20, 2008	N/A	8/29/2003	N/A
3	KMART CORPORATION	ICON DE HOLDINGS LLC (AS SUCCESSOR IN INTEREST TO IP HOLDINGS LLC AS ASSIGNEE OF JOE BOXER LICENSING LLC)	LICENSE AGREEMENT - "JOE BOXER" AND RELATED PROJECTS - DESIGNING / MANUFACTURING / IMPORTING /MARKETING / SALE OF LICENSED PRODUCTS	N/A	9/26/2006	12/31/10 (WITH OPTION FOR 3 ADDITIONAL 5-YEAR RENEWAL PERIODS)
4	KMART CORPORATION	ICON DE HOLDINGS LLC	FIRST AMENDMENT TO JOE BOXER LICENSE AGREEMENT BETWEEN ICON DE HOLDINGS LLC AND KMART CORPORATION	N/A	8/1/2015	12/31/2020
5	KMART CORPORATION	ICON DE HOLDINGS LLC	LICENSE AGREEMENT - "JOE BOXER" AND RELATED PROJECTS - EXTENSION LETTER	N/A	6/29/2010	6/29/2015
6	KMART CORPORATION	ICON DE HOLDINGS LLC (AS SUCCESSOR IN INTEREST TO IP HOLDINGS LLC)	LICENSE AGREEMENT - "BONGO" - MANUFACTURING / IMPORTING / MARKETING / SALE OF LICENSED PRODUCTS	N/A	2/8/2010	2/1/16 (WITH OPTION FOR CONSECUTIVE 2-YEAR TERMS IN PERPETUITY)
7	SEARS, ROEBUCK AND CO.	ICON DE HOLDINGS LLC	FIRST AMENDMENT TO BONGO LICENSE AGREEMENT BETWEEN ICON DE HOLDINGS LLC AND SEARS, ROEBUCK AND CO. (AS ASSIGNEE OF KMART CORPORATION)	N/A	8/1/2015	2/1/16 (WITH OPTION FOR CONSECUTIVE 2-YEAR TERMS IN PERPETUITY)

Ref. No.	Debtor	Counterparty	Contract Title	Contract No.	Contract Executed Date	Contract Expiration Date
8	SEARS, ROEBUCK AND CO.	ICON DE HOLDINGS LLC	SECOND AMENDMENT TO BONGO LICENSE AGREEMENT BETWEEN ICON DE HOLDINGS LLC AND SEARS, ROEBUCK AND CO. (AS ASSIGNEE OF KMART CORPORATION)	N/A	1/23/2018	2/2/2019